



**RBA: ATCMHMRC
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO: 2
AGENDA DATE: 10/15/2009
PAGE: 1 OF 3**

SUBJECT: Approve negotiation and execution of a loan to AUSTIN-TRAVIS COUNTY MENTAL HEALTH AND MENTAL RETARDATION CENTER, or its affiliate organization, under the Rental Housing Development Assistance Program, in an amount not to exceed \$1,752,175, in compliance with applicable affordable housing general obligation bond financing requirements and performance goals, to rehabilitate the property and improvements at 403 East 15th Street to serve as a 24-bed transitional housing facility for low- to moderate-income persons.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2009-2010 Capital Budget of the Austin Housing Finance Corporation.

FISCAL NOTE: A fiscal note is attached.

REQUESTING DEPARTMENT: Austin Housing Finance Corporation

FOR MORE INFORMATION CONTACT: Margaret R. Shaw, Treasurer, Austin Housing Finance Corporation, 974-3184.

PRIOR COUNCIL ACTION: Ordinance No. 20060911-002, approval of the Fiscal Year 2006-2007 Capital Budget.

PRIOR BOARD ACTION:

The proposed action will approve funding to assist in the rehabilitation of 403 East 15th Street (formerly Ronald McDonald House) by the Austin-Travis County Mental Health and Mental Retardation Center (ATCMHMR).

Austin Travis County MHMR Center

- ATCMHMR was established in 1967 and provides community-based mental health, mental retardation, and substance abuse services to adults and children.
- Its services include information and referral, psychiatric evaluation, 24-hour crisis intervention, housing, medication support, inpatient treatment, employment/vocational services, service coordination, family support and respite care.

Funding Request

- \$1,013,175 General Obligation Bond funds.
- \$739,000 in S.M.A.R.T. Housing™ Capital Improvement Project (CIP) funds.
- If approved, Austin Housing Finance Corporation (AHFC) investment combined with CIP funding would represent \$83,882 per patient bed.

Estimated sources and uses of funds for the project are as follows:

Sources		Uses	
G. O. Bond Funding	\$1,013,075	Pre-development work	\$ 260,475
New Milestones Foundation	354,921	Hard Costs	2,202,521
CIP Funds from Fiscal Year		Soft & Carrying Costs	5,000
2006-2007	1,000,000		
Austin Energy Rebates	<u>100,000</u>		
TOTAL	\$2,467,996	TOTAL	\$2,467,996

The requested funding is available in the Fiscal Year 2009-2010 budget allocation of the AHFC, and the request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market-rate financing for the development of affordable rental housing for low- and moderate-income households and persons with special needs.

The project was reviewed by the Housing Bond Review Committee (HBRC) on July 15, 2009. The HBRC supported the project. Following AHFC Board approval, a Rental Housing Development Assistance (RHDA) program loan will be negotiated and executed with ATCMHMR in an amount not to exceed \$1,752,175 for a term that will run concurrently with the lease expected to be executed between ATCMHMR and the City of Austin.

Project Characteristics

- The facility is owned by the City of Austin. The Contract and Land Management Department is working with ATCMHMR to enter into a lease agreement for the property and to oversee engineering and environmental work performed prior to the start of the rehabilitation.
- Each living space is one room, approximately 220 square feet, with one bed.
- The facility also includes staff offices, central nursing area, intake interview room, dining area, laundry facilities, recreation area, and an outdoor courtyard.
- The rehabilitation of the facility is expected to be completed in May 2010.

Population Served

- The facility will serve as a 24-bed transitional housing facility for two specialized programs:
 - Project Recovery (15 beds): Adult males referred by Travis County Courts with a history of chronic inebriation and repeated incarceration for public intoxication; and

- Community Competency Restoration (9 beds): Persons who are incarcerated in Travis County Jail on non-violent offenses and who have been deemed Incompetent to Stand Trial.
- Supportive services for both programs will include:
 - case management for mental health and/or substance abuse disorders;
 - assistance obtaining permanent housing, benefits, healthcare, transportation; and
 - connection to support networks.
- Incomes are capped at 50 percent of Median Family Income (MFI), currently \$25,650 for a single person. The majority of persons served will be at 30 percent or less of MFI, currently \$15,400 for a single person.

**AUSTIN HOUSING FINANCE CORPORATION
CIP BUDGET
FISCAL NOTE**

Date of Board Consideration: 10/15/2009
Agenda Item: Austin-Travis County MHMR
Division: Real Estate and Finance Development

SUBJECT:

Approve negotiation and execution of a loan to Austin-Travis County Mental Health and Mental Retardation Center to rehabilitate property located at 403 East 15th Street, Austin, Texas, to serve as a 24-bed transitional housing facility for low- to moderate-income persons, in an amount not to exceed \$1,752,175.

FINANCIAL INFORMATION:

Parent Project Name: 2006 General Obligation Housing Bonds
Project Authorization: Approved AHFC Capital Budget

Current Appropriation	\$ 39,800,000.00
Unencumbered Balance	\$ 6,463,732.42
Amount of This Action	\$ (1,013,175.00)
Remaining Balance	\$ 5,450,557.42

Use of Remaining Balance:
Remaining funds will be used for future eligible projects.

Parent Project Name: S.M.A.R.T. Housing Capital Budget
Project Authorization: Approved AHFC Capital Budget

Current Appropriation	\$ 13,739,688.00
Unencumbered Balance	\$ 2,415,847.54
Amount of This Action	\$ (739,000.00)
Remaining Balance	\$ 1,676,847.54

Use of Remaining Balance:
Remaining funds will be used for future eligible projects.

Community Development Administrator
(over AHFC Finances) Signature: Diana L. Domeracki Date: 10/2/2009